AGREEMENT BETWEEN

TITAN TIRE CORPORATION OF FREEPORT

AND

LOCAL NO. 745L

UNITED STEELWORKERS

AFL-CIO

EFFECTIVE January 1, 2006



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AGREEMENT

THIS AGREEMENT, made this 1st day of January 2006 by and between TITAN TIRE CORPORATION OF FREEPORT (hereinafter referred to as the "Company"), and THE UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION and its LOCAL UNION NO. 745L (hereinafter referred to as the "Union") representing the employees as hereinafter defined.

WITNESSETH, whereas the mutual desire of the Company and the Union is to continue to promote cooperation and harmony and to formulate rules to govern the relations between them, the parties hereto agree as follows:

ARTICLE I - RECOGNITION AND SCOPE OF AGREEMENT

Section 1—Recognition

The Company recognizes the Union as the exclusive bargaining agent for the production and maintenance employees of the Freeport Plant or any local expansion or extension thereof. The term "employees" for the purpose of this Agreement includes all hourly production and maintenance employees, but excludes office clerical employees, professional employees, guards, supervisor, management trainees, salaried quality control inspectors and control laboratory operators. Further, the Company will bargain with the Union on all matters pertaining to hours of work, wages, and other conditions of employment.

The automation of jobs in the bargaining unit will not be used as a basis for changing such jobs from bargaining unit status to non-bargaining unit status.

Section 2—Laws Supersede Contract

In the event that any of the provisions of this contract are found to be in conflict with any valid Federal or State Law now existing or hereinafter enacted, it is agreed that such law shall supersede the conflicting provisions without any way affecting the remainder of these provisions.

ARTICLE II - FUNCTION AND RESPONSIBILITY

ARTICLE II - FUNCTION AND RESPONSIBILITY

Section 1—Management Clause

The management of the business and the operation of the plant and the authority to execute all its various duties, functions and responsibilities incident thereto is vested in the Company, except as such authority is limited by the conditions of this Agreement.

Section 2—Non-Discrimination

The parties agree to the principal that there will be no discrimination in regard to wage rates and working conditions by reason of sex, color, race, age, religion, nationality, or disabilities as covered under the Americans with Disabilities Act.

Where the masculine pronoun is used in this Agreement, it shall refer to both genders.

Section 3—Productivity Clause

- (a) The Union recognizes that a high level of wages can be maintained only by a high level of productivity. Therefore, the Union and its members agree to cooperate in attaining, as high a level of productivity as is consistent with the health and welfare of the employees.
- (b) No employee will be laid off as a result of improvements or suggestions made through the employee involvement process. Plant improvements, as a result of the E.I. process will not cause employees to be laid off from work. Instead, the Company will assign them meaningful work until such time as permanent vacancies become available. The surplus employees will then be used to fill these vacancies per the provision of the labor Agreement.

Improvement to plant performance through the E.I. process will not result in employees being laid off from work. It could, however, result in a reduction in total plant manning, but this would be accomplished through attrition and not through a layoff.

Section 4—No Strike-No Lockout Provision

- (a) The Union agrees that it will not encourage, sanction or approve any strike, stoppage, slowdown, or other interruption of work growing out of any dispute arising under the terms of this Agreement and which is subject to the Grievance Procedure including the Impartial Arbitrator.
- (b) On the contrary, the Union and its officers and members will actively discourage and will take whatever lawful steps are necessary to prevent any strike, stoppage, slowdown or other interruption of work in violation of this Agreement.

ARTICLE II - FUNCTION AND RESPONSIBILITY

- (c) The Company recognizes the right of the Local Union to strike on any issue not subject to the jurisdiction of the Impartial Arbitrator. On any such issue, however, the Union will not encourage, sanction or approve any strike, stoppage, slowdown or other interruption of work until at least ten (10) days of negotiations have proved unsuccessful, provided that the Company does not refuse to negotiate or provided the Company, upon request of the Local Union to negotiate the subject matter of such issue, does not unnecessarily delay. If the parties are unable to satisfactorily conclude such negotiations, this Agreement may be canceled by either party upon giving a 60-day written notice to the other. All terms and conditions of this Agreement will remain in effect during such 60-day period during which time the parties will attempt to negotiate a satisfactory settlement. But failure to amicably settle the issue concerned shall terminate and cancel this contract upon the expiration of such 60-day period unless there is a mutually agreed upon extension. If the right to strike is exercised by the Union at the expiration of the 60-day period and upon such termination of the Agreement and subsequently the parties have amicably settled the issue in dispute and the strike has ended, this Agreement will be reinstated and will become effective and all its terms and provisions shall continue in full force and effect until the termination date of the Agreement and through any extension period, subject to the termination and reopening provisions of this Agreement.
- (d) The Company agrees that in consideration of the carrying out of the responsibilities placed upon the Union and its officers in paragraphs (a) and (b) of this Section, the Company will institute no action for monetary damages against the International Union or the Local Union or its officers for breach of said paragraphs (a) and (b).
- (e) The Company agrees that neither it nor its representatives will put into effect any lockout during the term of this Agreement.
- (f) Any employee who violates the principles set forth in this Section may be subject to discipline.

ARTICLE III - UNION SHOP AND CHECK-OFF

Section 1

- (a) Any employee who is a member of the Union in good standing on the effective date of this Agreement shall maintain his membership in the Union as a condition of his continued employment for the life of this Agreement to the extent of paying periodic membership dues uniformly required by the Local Union pursuant to the Constitution of the United Steelworkers. Such employee may have his membership dues deducted from his earnings by signing the Dues Authorization and Deduction Form as hereinafter provided, or if no such authorization is in effect, he must pay the periodic membership dues directly to the Union.
- (b) Any employee hired on or after the effective date of this Agreement or transferred into the bargaining unit, shall become a member of the Union not later than thirty (30) days following his hire or transfer into the bargaining unit, and as a condition of his continued employment shall maintain his Union membership as provided in paragraph (a) of this Section.
- (c) On the 30th day following the effective date of this Agreement, all employees in the bargaining unit who are not members of the Union may sign the following form and as a condition of continued employment shall tender or pay to the Union the amount of periodic dues uniformly required as a condition of acquiring or retaining Union Membership:

Company	
Plant	Signature of Applicant
Date	Clock Card No
MEMBERSHIP APPLICATION UNITED	
STEELWORKERS -AFL-CIO	Dues Deduction
	Authorization
On thisday of	
20 I hereby make application for membership	Signed YesNo
in the United Steelworkers, and I promise to pay	Month's Dues
dues uniformly required by the local Union	First Month's Dues
pursuant to the Constitution of the United	Rejoining Member
Steelworkers.	
	Signature of Local or International Representative

- (d) The provisions of Paragraph (a), (b), and (c) of this Section shall not apply to any employee in the bargaining unit to whom membership in the Union is denied or whose membership therein has been terminated for reasons other than the failure of such employee to tender the aforesaid payments.
- (e) Any employee who fails to maintain his obligations under the provisions of paragraphs (a) and (c) of this Section, shall not be retained in the employ of the Company, provided that the Union shall have notified the Company and the employee in writing of such default and said employee shall have failed to remedy the same within thirty (30) days after receipt of such notice.

Section 2

- (a) The Local Union will furnish the Company with the names of all members paying dues direct to the Local Union within thirty (30) days following the effective date of this Union Security Agreement.
- (b) Any dispute arising as to an employee's membership in the Union shall be subject for the Grievance Procedure, including arbitration.
- (c) "Member of the Union" where used herein means any employee who is a member of the Union and is not more than ninety (90) days in arrears in the payment of dues. "Employee" where used in this Article means an employee of the Company in the bargaining unit represented by the Union.

Section 3

- (a) For the convenience of the Local Union and its members, the Company, during the life of this Agreement and subject to all the provisions of this Section, shall deduct from the pay of those employees in the bargaining unit who have executed or who shall execute an assignment and authorization in the form hereinafter provided, all Union dues, uniformly required by the Local Union pursuant to the Constitution of the United Steelworkers. Further, if at any time during the life of this Agreement it is finally determined that initiation fees and general assessments may be legally deducted from the pay of those employees in the bargaining unit from whom the Company holds the aforesaid authorization, the Company shall make such deductions for all initiation fees and general assessments levied in accordance with the Constitution of the United Steelworkers and the by-laws of the Local Union. The Local Union shall indemnify the Company against any claim or loss arising out of the Company's deduction of dues, initiation fees, and general assessments levied in accordance with the Constitution of the United Steelworkers and the by-laws of the Local Union, and the Local Union will make refunds direct to all employees for such wrongful deductions.
- (b) The Local Union shall submit to the Company on or before five (5) days prior to the pay ending from which deductions are made, a list of its new members and the amount of

deductions for dues to be made from the pay of each member for the month. Subject to the provisions of this Section, the Company shall deduct such amount from the pay earned in the first pay period of each month of each of those employees whose name has been furnished by the Local Union as provided above, and from the pay of those employees whose authorization cards are on file with the Company, and remit as directed by the Local Union President. Union dues will be deducted on a weekly basis. This procedure may be modified by mutual agreement.

(c) The assignment, once executed, shall be irrevocable for a period of one (1) year from the date of execution or until the termination of this Agreement, whichever occurs first. At the end of the original period of irrevocability and each renewal period of irrevocability, the assignment shall be automatically renewed and be irrevocable for a like period of one (1) year or until the termination of the then current agreement between the Union and the Company, whichever occurs first, unless the executing employee gives notice revoking his assignment during the 10-day period immediately following the end of such a period of irrevocability. The assignment shall be in the following form:

CHECK-OFF AUTHORIZATION FOR UNITED STEELWORKERS

Pursuant to this authorization and assignment, please deduct from my pay each month while I am in employment with the collective bargaining unit in the Company, and irrespective of my membership status in the Union, monthly dues, assessments and (if owing to me) an initiation fee each as designated by the International Secretary/Treasurer of the Union.

The aforesaid payment shall be remitted promptly by you to James D. English, or his successor, International Secretary/Treasurer of the United Steelworkers, or its successor, Five Gateway Center, Pittsburgh, Pa. 15222.

This assignment and authorization shall be effective and cannot be canceled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be cancelled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the plant in which I am then employed an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the Financial Secretary of the Local Union.

While contributions or gifts to the USW are not tax deductible as charitable contributions for Federal income tax purposes, they may be tax deductible under other provisions of the Internal Revenue Code.

Local Union No	***************************************
United Steelworkers	
Signature	
Clock No.	•••••
Witness	
Ledger No	***************************************

- (d) At the request of the Local Union and in the absence of a revocation by the individual employee, the Company will continue to deduct Union membership dues for those employees who have heretofore so authorized the Company in writing. The Union shall submit to the Company properly executed assignments on the form herein provided for those employees who in the future may desire to participate in the check-off program.
- (e) The Company agrees to provide forms for the assignment and authorization of dues deduction.
- (f) The Company will not be responsible for dues, initiation fees, rejoining fees, or assessments which are not collected due to clerical errors of the Union or due to the fact that the employee did not have sufficient earnings in the pay period in which deductions are made as herein provided to cover such Union dues, initiation fees, rejoining fees, and assessments after deduction for taxes, or due to the fact that an employee's name for any reason has been removed from the Company's payroll prior to the last complete period of the month.
- (g) Any disagreement arising out of wage deductions as provided in this Section shall be subject to the grievance procedure, including the Impartial Arbitrator, whose decision shall be final and binding upon all the parties, including the Company, the Union, its officers and members, and any employee. In case of any disagreement, no deduction will be made from the pay of the employee in question until after the dispute is settled.
- (h) No deductions under this Section shall be made from the pay of any Union member employee who is not working at an operation which is within the bargaining unit. Should an employee member, by changing work assignments, be permanently transferred to an operation outside the bargaining unit, his name will be stricken from the check-off list until such time as he returns to work within the bargaining unit. Upon his return, such employee's name shall be replaced upon the check-off list.

Section 4

The Union shall indemnify and save the Company and/or the Trustee under the Supplemental Unemployment Benefits Plan harmless from any claims, suits, judgments, attachments, and from

ARTICLE III - UNION SHOP AND CHECK-OFF

any other form of liability as a result of the Company and/or the Trustee making any deductions in accordance with the foregoing authorization and assignments.

ARTICLE IV - GRIEVANCE PROCEDURE

Section 1—Representation

- (a) A grievance is defined as any controversy between the Company and the Local Union, or between the Company and its employees or any of them.
- (b) For the purpose of representation and adjustment of grievances, the employees in each department or group of departments under one Area Manager or the equivalent shall be represented by a Department Steward each shift. The employees in all departments shall be represented by one Chief Steward each shift. In the absence of a Department Steward the Chief Steward may serve as Department Steward. The Union Bargaining Committee shall constitute the Union Grievance Committee.
- (c) The President of the Union, the Human Resources Manager, or their duly accredited representative shall be accorded the right at any time to participate in any conferences or negotiations between the Company and the Union.
- (d) The Union agrees to keep on file with the Company at all times an up-to-date list of its accredited representatives and will promptly notify the Company of any changes or additions. No employee will be recognized as a Union representative until and unless the Company has been notified in writing by the Union that such employee has been selected to act in such capacity. Each month the Company will furnish the Union a list of their representatives who are to be recognized as such in the steps provided in the grievance procedure, and will promptly notify the Union of any changes.
- (e) In cases where accredited Union representatives are required to leave their jobs in order to handle grievances, the representatives will be relieved as soon as possible, so that production will not be retarded during the representative's absence. Supervisors will provide representatives with a filled-in pass noting time of departure from job. Representatives will submit all passes to their Supervisor at the end of the shift.
 - The representative may be required to show this pass at any time as authority to be away from their job. Accredited representatives, when handling grievances, shall notify the Supervisor of any department or section in which it becomes necessary to contact employees before they contact the employees involved.
- (f) The Company will issue an annual pass to the Union President, Vice President, Recording Secretary, Financial Secretary, Treasurer, Local Union Time Study Engineer, and Grievance Committee in order to facilitate the investigation and handling of grievances. When entering the plant for this purpose, the above named shall notify the Human Resource Manager on day shift, and appropriate Supervisor on later shifts, of reason for the visit and the destination, and shall register at the Gatehouse.

(g) The Company, upon request of the Union, will permit an International Union Representative to participate in 3rd step grievance meetings and arbitration.

Section 2—Responsibility

- (a) The parties of this Agreement recognize that grievances should be settled promptly and as close to the source as possible. Further, both parties will endeavor to present all the facts relating to the grievance at the first step of the grievance procedure in order that an equitable solution may be achieved.
- (b) A written decision at any step of the grievance procedure shall be considered as final unless the grievance is appealed to the next step within fifteen (15) working days thereafter.
- (c) The parties recognize that any employee who feels he is aggrieved should submit such grievance claim within ten (10) working days of the incident.
- (d) If at any time during the existence of this Agreement there occurs an unauthorized strike, sit down, or other curtailment of work in violation of the No Strike Clause of this Agreement neither party shall negotiate upon the subject of said dispute until such illegal activity has ceased.

Section 3—Grievance Procedure

- (a) The procedure for presentation of a grievance is as follows:
 - Step 1: The employee, or in company with his Department Steward, may discuss the grievance with his immediate Supervisor, who must respond within two (2) working days.
 - (1) If not settled at the above verbal discussion, the grievance will be reduced to writing, signed by the grievant and/or Union, and presented in duplicate to the Supervisor by the Department Steward within ten (10) working days. The Supervisor will provide a written answer to the grievance, based from the discussion held above.

Exceptions: Grievances pertaining to base and/or hourly rates, manning, workloads, or standards not settled at the above verbal discussion, will be reduced to writing and appealed directly to the 2nd step with the Area Manager and Union Time Study Engineer present at this meeting. If necessary, a joint time study will be completed before being appealed to the third step. Grievances pertaining to job postings, awards,

surplus labor, layoffs, recall and employee benefits will be referred to the Employment Department.

- Step 2: If not settled in Step 1, the grievance may be appealed to the Area Manager in Production departments and Division Maintenance Manager or the equivalent by the Division Committeeman or Chairman of the Grievance Committee. If a meeting is necessary, it will be held within five (5) working days, or as mutually agreed.
- Step 3: If not settled in Step 2, the grievance may be appealed to the Human Resources Manager by the Chairman of the Grievance Committee. The notice of appeal must be in writing and must indicate those grievants, witnesses and Union Representatives requested to appear at the hearing. A meeting will be held within thirty (30) days from the date the notice of appeal is received, or as mutually agreed.
- (b) The Company shall give a written answer to the written grievance, with a copy to the President of the Union, as soon after the meeting or discussion as possible, but not later than three (3) working days, at Step 1, five (5) working days at Step 2, and ten (10) working days at Step 3, unless extended by mutual consent. If the written answer is not given within the time allowed, and in the absence of an extension, the Union may take the grievance to the next step without delay.
- (c) If a controversy arises of a nature so general as to affect a large number of employees, such issues of this nature need not be subject to the entire grievance procedure, but may be initiated at a step prior to the Impartial Arbitrator by agreement of the Local Union President and the Human Resources Manager.
- (d) At the written steps of the grievance procedure, the Company and the Union may call any witnesses whose testimony is necessary to the proper consideration of the grievance, or grievances, to be considered at any particular meeting.
- (e) Henceforth, from the date of this agreement no decision, written or oral, made at the first step of the grievance procedure will be considered to have any precedent setting value.

Section 4—Impartial Arbitrator

(a) Should negotiations between the Company and the Union at the final step of the grievance procedure fail to bring about an agreement between the parties with respect to any grievance which properly comes under the jurisdiction of the Arbitrator, as hereinafter defined, either party may, within thirty (30) days, but no longer except by mutual agreement, after the final answer at the last step, as outlined above, submit the issue to the Impartial Arbitrator. It is understood that a copy of the issue submitted will be furnished to the other party at the same time.

- (b) On a date set by the Impartial Arbitrator, the parties shall at the time and place appointed by the Impartial Arbitrator, appear and present for his consideration a statement of the issues involved, either in writing or orally, as each party may desire. The Impartial Arbitrator shall schedule hearings of grievances in the order in which such grievances are submitted to him, unless the Company and the Union agree on a different order. The place of hearing shall be restricted to Freeport, Illinois, unless otherwise agreed upon.
- (c) The Impartial Arbitrator shall render a decision on the grievance within thirty (30) days following the hearing date of a grievance. At the close of a hearing, the parties may request an award. The Arbitrator shall make any request for additional time in writing and if the parties agree to the additional time, the Arbitrator will be so notified in writing.
 - (1) For the purpose of this section an award means the disposal of the grievance without a statement of reasoning leading to the conclusion reached. Henceforth, awards will not be regarded as having precedent value.

The decision of the Impartial Arbitrator shall be final and binding upon both parties and shall invoke immediate compliance by the parties. If such decision directs a retroactive wage payment the Company will notify the Union without delay of the date on which payment can be made to the employees affected. The Union will be notified in writing of the amount, to whom paid, and the date paid.

(d) The expense and compensation of the Impartial Arbitrator shall be borne equally by the Company and the Union.

The parties to this agreement have agreed upon a panel of three arbitrators to be selected as set out in the arbitration protocol.

Within five (5) days following a request made by either party for the submission of an issue or issues to an Impartial Arbitrator, the President of the Local Union or his designated representative shall meet with the representative of the Employer for the purpose of selecting an Arbitrator from the panel listed above. In the event a selection cannot be made at such meeting by mutual agreement, the selection shall then be made by the Employer's representative and the Local Union representative alternately striking one name from the list until one name remains who shall be designated as the Arbitrator to hear the issue or issues to be submitted.

(e) The Impartial Arbitrator shall not have the power to make any award changing, amending, or adding to the provisions of the Agreement. Specifically, the Arbitrator shall not have the power to arbitrate general wage levels.

- (f) In the event one of the Arbitrators named on the panel either dies, becomes incapacitated, or refuses to act, a replacement will be selected in accordance with paragraph 6 of the arbitration protocol.
- (g) By agreement at the local plant, a Board of Arbitration may be substituted for the Impartial Arbitrator herein provided. The Board of Arbitration shall be composed of a person selected by the Employer and a person selected by the Local Union, and the Impartial Arbitrator named herein who shall serve as chairman. The persons selected by the Employer and Local Union shall be permanently assigned and shall have final and complete authority to act for their respective parties. Each party shall name an alternate person to serve in the event the regular appointee is unable to serve. The use of the Board of Arbitration may be terminated at any time upon thirty (30) days written notice by either party in which case the Impartial Arbitrator shall serve alone. The authority of the chairman of the board shall be the same as that provided for the Impartial Arbitrator and his award or decision shall be rendered after deliberations with the Board, unless the representatives of the parties agree on a disposition of the case.

Section 5—Union Time Study Engineer

- (a) Upon written request of the Local Union to the Human Resources Manager the Company will permit a time study engineer approved by the Local Union or the International Union to enter the plant for the purpose of making studies. A signed secrecy pledge will be required before entry is permitted. The Supervisor will provide a filled-in pass as authority for the time study engineer to be away from the job, as coordinated by the Human Resources Manager. A Company time study engineer shall be present during such studies or observations by the Union time study engineer.
- (b) The Company shall cooperate with the Local Union in the training of a Local Union Time Study Engineer, and at the request of the Local Union shall permit practice studies to be taken on any operation approved by the Company. One Union designated employee will be trained or in the training process at all times. One-half the cost of time lost from his regular shift, up to a maximum of twenty (20) hours per week will be paid by the Company to the employee designated as a time study trainee for the Local Union during his training period. The rate of pay shall be Pay Grade of his classification.

Section 6—Disciplinary Action

(a) When an employee is directed by the Supervisor to appear in the office to discuss a matter which might likely result in a suspension or discharge, or when a disciplinary letter or derogatory notation is to be placed on his record, the employee will be reminded of his rights to bring his Union representative into the discussion at that time. If the employee requests Union representation, he may remain silent until the representative is present. The Union representative shall be paid for time

lost from his regularly scheduled shift in accordance with Article VII, Section 19 (a) of this Agreement.

- (b) In cases involving disciplinary action, the Department Stewards may request Chief Steward assistance. In cases involving a possible suspension, discharge, Loss of Value Letter, Last Chance Letter or initiation of 48 hour investigation period, the appropriate Division Committeeman will be notified prior to the meeting.
- (c) The decision to terminate an employee will not be made until a minimum of forty-eight (48) hours has elapsed from the time of the infraction. This time may be extended beyond forty-eight (48) hours by mutual agreement. This time will be used for a thorough investigation of all facts relevant to the matter. Prior to the conclusion of the forty-eight (48) hour period, Company and Union representatives will meet to discuss and share such relevant facts and evidence. An employee shall be informed when the Company is imposing the 48-hour investigation period. At the same time, the employee will be informed of the time to return for case disposition.

In the event a termination decision is not made, concluding the forty-eight (48) hour period, the employee shall be compensated for the time lost, less pay for any penalty time decided upon.

(d) If an employee feels he has been unjustly disciplined; i.e., derogatory notation, letter, suspended, or discharged, he shall have the right to appeal his case through the grievance procedure, including the impartial arbitrator.

In cases of discharge or suspension, the written grievance must be filed with the Area Manager or the equivalent, within ten (10) days from the date of discharge or suspension, excluding Saturdays, Sundays and Holidays. If such discharge or suspension is found to have been unjustified, the employee shall be reinstated to his former job with all rights and privileges restored, and shall be compensated at the Pay Grade of his classification for the time lost, less pay for any penalty time decided upon. In the event a Union representative is not present when the employee is notified that he is discharged, the President of the Union or his authorized representative will be notified of such discharge within twenty-four (24) hours.

Section 7—Derogatory Write-Ups

- (a) Whenever an employee is to receive a derogatory write-up that will be part of his record, a copy of that write-up, including notations, will also be given to the President of the Local Union. If the notation is the result of poor workmanship, the employee shall be shown the poor work or the results of the poor workmanship.
- (b) All derogatory write-ups, except those recording suspensions or discharges, will be destroyed one year after issuance if the same offenses have not been committed during the preceding twelve (12) months.

Letters recording suspensions will be disregarded and destroyed in the administration of discipline after twenty four (24) months provided the same offense(s) has not been committed during that period.

A suspension letter for absenteeism will be destroyed twelve (12) months after issuance if further disciplinary action has not been taken.

For the purpose of this paragraph 7(b), time will be working months rather than calendar months. Periods of layoff, employment roll or approved leaves of absence of two (2) weeks or more will extend the time for which the disciplinary action remains on the employee's record by the period of time the employee was off work.

- (c) An employee may review his departmental record at a time other than on his regularly scheduled shift or during his personal time on his regularly scheduled shift, provided he makes such a request to his supervisor in advance.
- (d) In addition, the employee may review his medical file under the same guidelines and may also review his personnel file or worker's compensation file with permission and advance notification of the Human Resource Manager.

ARTICLE V - HOURS OF WORK AND REPORTING PAY

Section 1—Standard Work Day And Standard Work Week

- (a) The standard work day shall be eight (8) consecutive hours in a twenty-four (24) hour period. When practicable, the standard work week shall be five (5) consecutive work days starting on Monday. The work week and the timekeeping week shall begin with the starting hour of third shift (11:00 p.m.) on Sunday night. Exceptions may be made in case of emergency, such as machinery breakdown, fire, or when necessary to fill orders within a specified time or to adjust production schedules. Whenever possible advance notice shall be given the President of general changes from the current operating schedule.
- (b) The timekeeping day for computation of double-time pay for Sunday and triple-time pay for holiday work shall commence at 11:00 p.m. the day before and end at 11:00 p.m. on Sunday or holiday.
- (c) The standard work week will not apply to the Powerhouse employees.
- (d) Shifts other than those named above may be established if necessary, to meet production requirements. Exceptions necessary will be discussed with the Union before implementation.

Section 2—Reporting Pay

(a) If an employee reports for work at the start of his regular shift or at a time appointed by his Supervisor without having previously been notified not to report and no work is made available to him, he shall be paid his rate of pay for his current Pay Grade for the full number of scheduled hours of the shift. If other work is made available to him, he shall be paid his current hourly rate up to Pay Grade of job assigned, whichever is greater.

If an employee is sent home because of lack of work before he has completed the scheduled hours of the shift, he shall be paid what he earned plus his rate of pay for his current Pay Grade for the remaining scheduled hours of the shift. If the Company offers the employee the choice of other work or going home and he elects to go home, he forfeits his rate of pay for his current Pay Grade for the remaining scheduled hours of the shift not worked.

Payment under the foregoing conditions will be made at time and a half if after 40 hours in any one pay period, at double time on Sundays, and triple time on holidays.

- (b) Notification not to report for work may be handled as follows:
 - (1) Verbal instruction to the employee.

- (2) A notice posted on the department bulletin board with notification to the Department Steward, at least one hour prior to the end of the last shift scheduled for the employees involved.
- (3) Telephone notification to an employee prior to the time he normally leaves home for work.
- An employee who does not have a current telephone number as required under Article XI, Section 5, listed with the Company will not be eligible for report to work pay. An employee with a telephone number listed but who cannot be reached by telephone will not be eligible for report to work pay.
- (d) Reporting pay will be paid in cases of general emergency shutdown of the plant caused by fire, flood, failure of power supply, or similar conditions beyond the control of the employer unless the employer notifies the employee not to report prior to the start of their scheduled shift. Notification will be made through the following radio stations in Freeport, Galena, Illinois and Monroe, Wisconsin:

Freeport WFPS - 92.1 FM WFRL - 1570 AM WXXO - 98.5 FM

Galena WJOD - 107.5 FM

Monroe WEKZ - 1260 AM/93.7 FM

Section 3—Working Time

- (a) Employees are not to enter their work area earlier than necessary to report at their regular places at their regular starting time. They shall not remain in their departments, after the close of their regular shift, except for periods of authorized overtime.
- (b) All employees are to work to the end of their shift, and those employees on continuous operations are to remain on their jobs until relieved at the end of their shifts. If an employee working on a continuous operation is not relieved by an employee scheduled to work the following shift, the Company will attempt to secure relief as soon as possible, or at a time mutually satisfactory. Except for short periods of time while relief is being secured on continuous operations, employees in the production departments will not be required to work more than eight (8) hours in a normal day.

Section 4—Distribution of Work

(a) Daily vacancies and other work may be filled with available labor on the shift on which the vacancy or other work occurs before employees from other shifts are offered the work on an overtime basis. Preference will be given to available labor in the classification, within the department, on the shift on which the vacancy or other work occurs; then, to other available labor within the department provided they are qualified, on the shift on which the vacancy or other work occurs.

Thereafter, vacancies and other work may be filled with any available labor on the shift on which the vacancy or other work occurs before employees from other shifts are offered the work on an overtime basis.

- (b) All regular time (less than the standard work week), overtime, double-time and triple-time shall be distributed as follows:
 - (1) When less than a full number of employees are needed in a classification for a portion of a shift and no other work is assigned, the employees whose unit or operation is shut down will be short-shifted.

Employees will be offered the opportunity to be short-shifted on a seniority basis or forced to be short-shifted in reverse seniority order, provided that it makes no difference from a production standpoint which particular unit or operation is shut down. The result of following this procedure will not require significant reassignment of employees to the remaining operating units or operations.

- (2) When less than a full number of employees are needed in a classification for a full shift during the standard work week, the work will be offered by seniority in the order of preference listed below:
 - 1. In classification on shift
 - 2. In classification off shift
 - 3. Qualified out of classification on shift
 - 4. Qualified out of classification off shift
 - 5. Qualified out of department on shift
 - 6. Qualified out of department off shift

If an insufficient number of volunteers is obtained, the remaining need will be filled by scheduling (forcing) employees in reverse seniority in the following order:

- 1. In classification on shift
- 2. Qualified out-of-classification on shift in department
- 3. Qualified out-of-classification on shift out of department

Employees may sign Short Work Week Sign-up Sheets in classifications other than their own. Employees must be qualified in the classifications they express desire for work.

(c) A sign-up system for all daily overtime work will be utilized as follows:

A computerized sign-up system will be utilized in the department for the first three (3) hours of each shift. An employee wishing to work daily overtime may sign up to work any of the three (3) shifts listed. The employee is to indicate willingness to work either four (4) or eight (8) hours of overtime. Supervisor will then schedule the qualified employees who have volunteered to work by seniority in the following order of preference:

- (1) To senior, low-houred employee in classification on retiring shift, four (4) hours or eight (8) hours, as appropriate.
- (2) To senior, low-houred employee in classification on oncoming shift, four (4) hours or eight (8) hours, as appropriate.
- (3) To qualified employees out of classification, on the retiring or oncoming shift, four (4) hours or eight (8) hours, as appropriate.
- (d) A computerized sign-up system for all Saturday work will be utilized as follows: During the first three days of the standard work week, a sign-up system for possible Saturday work in specified classifications shall be available in the departments.

An employee wishing to work Saturday may sign up to work any of the three (3) shifts listed. The employee may also indicate willingness to work four (4), eight (8), twelve (12) or sixteen (16) hour periods.

Supervision will then schedule the qualified employees who have volunteered to work by seniority in the following order of preference:

Qualified employees in classification, on shift.

Qualified employees in classification, off shift.

Qualified employees out of classification, on shift, in department.

Qualified employees out of classification, off shift, in department.

Qualified employees out of classification, on shift, out of department.

Qualified employees out of classification, off shift, out of department.

Employees will not be scheduled off shift or out of classification if their seniority is such that they would be forced to work in their regular classification and on their own shift. If the number of employees who signed up is insufficient to accomplish the necessary work, the least senior employees in the classification will be scheduled to work by shift. Twelve (12) or sixteen (16) hour periods will not be awarded to signers until other signers have been offered work, however in

classification employees are still to be awarded work before out of classification employees are awarded work.

Efforts will be made to fully utilize such eligible signees before forcing employees to work on a Saturday, particularly considering work assignments not relating directly to the production process.

When it is previously believed that no Saturday production will be scheduled in a classification and such plan is changed during a Friday work shift, the Company will utilize the Saturday sign-up sheets to obtain necessary labor to perform the scheduled work only if a minimum of four hours of Saturday work is scheduled in the classification, and only if the Company has, by 11:00 a.m. Friday, notification from Production Control that such scheduling is required. In the event of reported absences, more than four hours before the start of the Saturday shift, the next senior employee eligible to work on the sign-up sheet is to be contacted. If the absence becomes known less than four hours before the shift starting time, the work is to be offered to the senior in-classification employee immediately available that is working.

- (1) In the event it becomes necessary, after the Saturday shift has started to short-shift employees; the offered opportunity will be by classification to the senior employee in the following order:
 - (a) Senior in-classification employee
 - (b) Senior in-department employee working out-of-classification
 - (c) Senior out-of-department employee
- (e) A computerized sign-up system for all Sunday and Holiday work will be utilized as follows: During the first three (3) days of the standard work week, a sign-up system for possible Sunday work in specified classifications shall be available in the departments. Similarly for Holidays, during three (3) days of a standard work week beginning five (5) working days prior to the Holiday, a sign-up system will be available. This system will be by specified classifications within each department. An employee wishing to work Sunday or on a holiday may sign up to work any of the three (3) shifts listed. The employee may also indicate a willingness to work four (4), eight (8), twelve (12) or sixteen (16) hours on the subject Sunday or holiday. Employees requesting work will be scheduled as follows:
 - (1) To low hour employee in classification or if the hours are equal to the senior employee, eight (8) hours.
 - (2) To the senior low hour employee in classification, four (4) hours if a matching four (4) hour signer is available.

(3) To the senior qualified employees out of classification, except in maintenance, where apprentices of the classification will be offered work opportunities before going to qualified employees out of classification.

In the application of the foregoing paragraph, with reference to the maintenance department only, no in-classification employee will be allowed to work the second eight (8) hours until the apprentice of the classification has had an opportunity to work eight (8) hours. Further, preferred shift assignments will be given to the inclassification employee prior to making assignments to the apprentice.

An employee offered work will not be bumped from his regular shift by an employee from another shift. An employee is not considered to have been offered work until such time as he would have been eligible for the work on the basis of the hours of work chart and seniority.

Hours will be charged to those accepting work and to those who refused work made available to them and hours not able to work because of previous hours worked. If the desired number of employees is not obtained in a classification to complete the work, only those employees who refuse work made available will be charged.

- (1) In the event it becomes necessary, after the Sunday shift has started to short-shift employees; the offered opportunity will be by classification to the senior employee in the following order:
 - (a) Senior in-classification employee
 - (b) Senior in-department employee working out-of classification
 - (c) Senior out-of-department employee
- (f) Hours of work charts will be maintained in the department or on the computer for all classifications, until such a time that it is no longer viable to maintain charts on the computer. All hours will revert to zero the first Monday of January. When an employee is transferred or hired into a classification or permanently moves to another shift in the same classification, he shall be assigned the number of hours equal to the highest in the classification on the shift to which he is assigned.
- (g) When practicable all out-of-classification overtime hours will be first offered to indepartment employees before offering such hours to out-of-department employees.
- (h) Notwithstanding the provisions of sub-paragraphs (d) and (e) of this section 4, shut-down and start-up hours of two (2) hours or less in production and three (3) hours or less in engineering maintenance or the Stores Attendant classification will be offered to the employees within the classification on the adjacent shift.
 - (1) The adjacent shift will be defined as those in-class employees assigned to the adjacent shift.

- (2) If the assignments are not filled, those vacancies will be offered to the senior in-class employees working.
- (3) Out-of-classification most senior qualified employee assigned on the adjacent shift.
- (4) Senior in-class employees, off-shift.

The distribution of start-up and shutdown work for in-classification is a rotation by seniority. The rotation will start over with the most senior employee the first Monday of the year.

- (i) In the event errors occur in the scheduling of work, and the errors are promptly reported and can be corrected, such errors will be corrected at the first opportunity.
- (j) No employee shall work in excess of sixteen (16) hours in a twenty-four (24) hour period, except in an emergency.

ARTICLE VI - GENERAL WAGE PROVISIONS

Section 1—Holiday Pay

The following days will be recognized as holidays under this Agreement:

New Year's Day
Easter Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Eve
Christmas Day
New Year's Eve

Optional Holiday to be determined by local Agreement.

The above holidays may be changed to other days by mutual agreement. Holidays will be scheduled to minimize plant shutdowns. All schedules will be posted, denoting the beginning and ending of each holiday.

The following days shall be considered holidays:

2006 New Year's Day Good Friday Easter	Day Monday 1 st & 2 nd shift Friday 3 rd shift Monday	Date January 2 April 14 April 17
Memorial Day Independence Day	Monday 1 st & 2 nd shift Tuesday 3 rd shift Wednesday	May 29 July 4 July 5
Optional Labor Day Thanksgiving Day After Thanksgiving Christmas Day Day After Christmas	Friday Monday Thursday Friday Monday Tuesday	September 1 September 4 November 23 November 24 December 25 December 26
2007 New Year's Day Day After New Year's Good Friday Easter Memorial Day Independence Day	Monday Tuesday Friday 1 st & 2 nd Shifts Monday 3 rd Shift Monday Wednesday	January 1 January 2 April 6 April 9 May 28 July 4

ARTICLE VI - GENERAL WAGE PROVISIONS

Optional Day	Friday	August 31
Labor Day	Monday	September 3
Thanksgiving Day	Thursday	November 22
Day After Thanksgiving	Friday	November 23
Christmas Eve	Monday	December 24
Christmas Day	Tuesday	December 25
New Year's Eve	Monday	December 31

New Year's Day	Tuesday	January 1
Good Friday	Friday 1 st & 2 nd Shifts	March 21
Easter	Monday, 3 rd Shift	March 24
Memorial Day	Monday	May 26
Independence Day	Friday	July 4
Optional	Friday	August 29
Labor Day	Monday	September 1
Thanksgiving Day	Thursday	November 27
Day After Thanksgiving	Friday	November 28
Christmas Eve	Wednesday 1 st & 2 nd Shifts	December 24
Christmas Day*	Thursday	December 25
	Friday 3 rd Shift	December 26
New Year's Eve*	Wednesday	December 31

2007		
New Year's Day	Thursday	January 1
Good Friday	Friday 1 st & 2 nd Shift	April 10
Easter	Monday 3 rd Shift	April 13
Memorial Day	Monday	May 25
Independence Day	Friday	July 3
Optional Day	Friday	September 4
Labor Day	Monday	September 7
Thanksgiving Day	Thursday	November 26
Day After Thanksgiving	Friday	November 27
Christmas Eve	Thursday	December 24
Christmas Day	Friday	December 25
New Year's Eve	Thursday	December 31

New Year's Day	Friday	January 1
Good Friday	Friday 1 st & 2 nd Shifts	April 2
Easter	Monday 3 rd Shift	April 5
Memorial Day	Monday	May 31
Independence Day	Monday	July 5
Optional Holiday	Friday	September 3
Labor Day	Monday	September 6

*In the event the Company declares a shutdown for December of 2008 the following changes shall occur. First, there will be no "split" Christmas Holiday and New Year's Eve shall be celebrated on January 2, 2009.

Wage payment for employees reporting early for startup on a split holiday, and only when the work period is in two different pay periods, will be paid consistent with the first sentence of Article VI, Section 3 (a).

The Company will pay at straight time to each hourly employee who does not perform work for the Company on such holiday an amount equivalent to the employee's standard work day multiplied by his current hourly rate, plus the night shift differential to which his scheduled shift of such week would entitle him, subject to the following conditions:

- (1) (a) When one or more of the above holidays falls within the period an employee is on vacation, and he is absent from work because of such vacation, the employee will be paid for such holidays.
 - (b) An employee who is not actively at work when a holiday occurs, will be paid the difference between holiday pay as stated in this paragraph and any Federal, State, or Company compensation he receives for such day, subject to the following conditions:
 - 1) Employees who leave work pursuant to an approved leave of absence during the week in which a holiday falls, or in the week previous to it or return to work after such leave during the week a holiday falls or in the succeeding week, shall be paid for such holiday.
 - 2) Employees who leave work pursuant to an approved sick leave or a leave of absence for disability due to pregnancy, or who leave the employment of the Company to enter the Armed Forces up to thirty (30) calendar days prior to a holiday, or who return to work after an approved sick leave, or a leave of absence for disability due to pregnancy, or are reinstated from the Armed Forces within thirty (30) calendar days of a holiday, shall be paid for such holiday.
 - 3) Employees who leave-work pursuant to absence because of an occupational injury or an occupational illness up to thirty (30) calendar days prior to a holiday, or who return to work within thirty (30) calendar days of a holiday, shall be paid for such holiday.
 - 4) Employees who are laid off within fourteen (14) calendar days prior to a holiday shall be paid for such holiday. Employees who are recalled and return to work in a work week in which a holiday falls, or within fourteen (14) calendar days after the holiday, shall be paid for such holiday.

- An employee shall not be eligible for such payment if on his last regularly scheduled shift prior to or first regularly scheduled shift after such holiday, he is absent from work without being previously excused by his Supervisor or without presenting evidence that his absence was justified and reasonable. In the event of two consecutive holidays, an employee shall not be eligible for pay for the first of the two holidays if he is absent from work on his last regularly scheduled shift prior to the holidays or shall not be eligible for pay for the second holiday if he is absent on his first regularly scheduled shift after the second holiday without being previously excused by his Supervisor or without presenting evidence that his absence was justified and reasonable. The restrictions in this paragraph do not apply in respect to Paragraph 1. (a) and (b) above except when the holiday falls on the first or last normal working day of the period during which the vacation falls, or the first day of leave or layoff. As used in this paragraph, "absent from work" is defined as being absent for all or any part of the shift.
- (3) Employees who would not otherwise be scheduled to work on the day a holiday falls will be paid for such holiday subject to the other provisions contained in this article.
- (4) (a) Employees who are working on jobs which by the nature thereof must be continued in operation on a seven (7) day basis, and employees who rotate thereon, shall be paid holiday pay if the holiday falls on their regularly scheduled day off. If such employees are scheduled to work on a holiday and absent themselves from scheduled work, they shall not receive holiday pay unless their absence was justified and reasonable.
 - (b) When maintenance work essential to the continued operation of the plant must be done while the plant is not in operation, and such maintenance work is scheduled for a holiday, then holiday pay will not be paid employees who refuse to work on such holiday when requested to do so, unless the refusal to work is justified and reasonable.
 - In application of this paragraph, if such work is necessary, at least three days' notice will be given maintenance employees, except in cases of emergency. When less than the full number of employees in a classification are needed, qualified employees in the classification will be scheduled for the work utilizing the overtime holiday sign up system. If this does not produce the number of employees needed, the least senior employee in the classification needed will be required to work.
 - (c) Any employees who accept work assignments on a holiday and/or the day preceding or following the holiday and who absent themselves on any of these days will not be eligible for any payment for the holiday unless the absence was justified and reasonable.

- (d) In no event shall premium or overtime pay apply to holiday hours paid for but not worked.
- (e) An employee who is eligible to receive holiday pay and who is required to serve on a municipal, county or federal jury, or grand jury, on such holiday will not have jury duty pay deducted from his holiday pay.
 - However, such employee may elect to defer the time off for the holiday(s) until his first scheduled shift(s) immediately following the jury duty provided he notifies his Supervisor of his desire to do so in sufficient time for the Supervisor to secure a replacement.
- (f) When a holiday falls on a Friday, the following Saturday shall not be considered a regularly scheduled work day. When a holiday falls on a Monday, the preceding Saturday shall not be considered a regularly schedule work day. This provision does not apply to employees who accept work assignments on a Saturday following a Friday holiday or on a Saturday preceding a Monday holiday. This provision does not apply to operations which are normally scheduled on a seven-day basis.
- (g) When an employee works overtime on a holiday for the purpose of closing down or starting up an operation, he shall be paid at the rate of triple-time, and such time, up to a maximum of four (4) hours, shall not be deducted from the holiday pay herein provided. All other time paid for at the rate of triple-time shall be deducted from the hours on which such holiday pay is based.
- (5) Probationary employees will not be eligible for holiday pay for any holiday(s) falling within the first 30 calendar days of their employment.
- (6) Employees participating in the plant's Summer Work Program in Department 057 will not be eligible for holiday pay during their first year of employment.

Section 2—Premium Pay

All work performed on Sundays shall be compensated at the rate of double time. All work performed on holidays shall be compensated at the rate of triple time. In no event shall time and one half be paid in addition to double time or triple time.

Section 3—Overtime Pay

(a) Time worked in excess of eight (8) hours in any twenty-four (24) hour period or in excess of forty (40) hours in any one pay period week will be compensated at the rate of time and one half. Overtime hours paid on a daily basis shall not be included in paying for overtime on a weekly basis. All time worked (whether at straight time, double time, or at triple time), and time paid for, exclusive of the no-

strike clause of this Agreement, shall be credited as hours worked for the purpose of computing overtime pay. The term "all time worked" shall include time paid for in taking a scheduled vacation. Also included in the term "all time worked" for the above purposes:

- (1) Scheduled hours lost by employees while serving on a jury and for which the Company pays in accordance with Article VII, Section 16.
- (2) Scheduled hours lost by employees due to being subpoenaed, except when the employee is a plaintiff or a defendant or in any case involving the Company or the Employer.
- (3) Scheduled hours lost by employee for funeral leave and for which the Company pays in accordance with Article VII, Section 18.
- (4) Paid holiday hours falling within the standard work week, but not worked.
- (5) Scheduled hours lost by employee for which the Union pays. The Union will provide the Company advance notice in writing, the names, plus the dates and hours paid for by the Union as situations arise.
- (6) Scheduled hours lost by employee due to an injury caused in the plant covered by Worker's Compensation.
- (7) Scheduled hours lost as a result of an employee returning from lay-off will be credited toward the computation of weekly overtime payment.
- (b) An employee reporting for work and being required to work a portion of his scheduled shift, if then sent home through no fault of his own, except in case of labor disturbance as provided in Article II, or except conditions beyond the control of the Company such as fire, flood, severe weather conditions, or failure of power supply, shall receive credit for the number of hours scheduled for the shift toward the computation of weekly overtime hours.
- (c) Hours of the regularly scheduled work shift not made available during the first five (5) days of the week shall be considered as hours worked for the purpose of computing weekly overtime payment. Hours not available to employees because of a violation of Article II, Section 4, will not be considered as hours worked for such purpose.

ARTICLE VII - WAGE APPLICATION

Section 1

- (a) In the establishment of a pay rate for any new or combined job, such pay rate shall be arrived at by the use of standard job evaluation practice. A copy of the job evaluation plan shall be furnished the Local Union by the Company.
- (b) Rates of pay shall be established in accordance with paragraph (a) and shall be calculated on a full work load even though it is known at the time of establishment that a full work load cannot be assigned at that time. In the event it may be necessary to establish a rate of pay before the job is fully developed, the rate of pay shall be established on the proper evaluation of job content or job requirements as contemplated in the permanent job insofar as can be foreseen at the time such rate of pay is being calculated.
- (c) Any items of job content or job requirements considered in the rate of pay calculation shall be fully described in the job evaluation record regardless of whether or not such work is being performed at the time.
- (d) In the event such items are included and given proper weight in the rate of pay calculation before they actually appear in the actual performance of the job, the subsequent appearance of such items in the work requirements of the job shall not form the basis for an increase in the rate of pay.
- (e) When job evaluations have been completed, the representative designated and maintained on file with the Company by the Local Union, shall be advised as to what the rate of pay will be as far in advance as possible, but not less than one day before they are to be come effective, excluding Saturdays, Sundays, or holidays, unless a shorter time is mutually agreed to. The Company will make available to the representative for his inspection, complete data showing the basis upon which the rate of pay was determined.
- (f) The Company will give advance notice of at least three (3) days to the Union of any changes in performance expectations and would review the data supporting such changes with the Union Time Study representative prior to implementation of the proposed change.
- (g) Nothing in this Agreement shall be so interpreted as to require employees to perform work loads that are not fair and reasonable.

Section 2

(a) Pay Grade as used in this Agreement refers to the hourly rate established on the standard job evaluation procedure.

- (b) Experienced Employee refers to an employee who is permanently assigned on an operation and is qualified to do the job and has demonstrated ability to perform the work satisfactorily.
- (c) Learning time established for each job classification indicates the maximum number of working days a newly hired employee may require to attain a satisfactory performance on the assigned job. An employee may be removed from the assignment before the expiration of the maximum learning time if satisfactory progress is not shown. The learning time may be extended by the Area Manager or the equivalent if in his opinion, an extension is justified.
- (d) Learning time is defined as the maximum time period outlined on the Pay Grade sheets.
- (e) Hourly rates, for machine operations and non-equipment operations are established on the basis that employees are required to work to the end of their shift, excluding normal lunch and personal breaks at a fair and reasonable pace.
- (f) Short Work Week Average Hourly Earnings, for calculation of SUB benefits as provided in Article II, Section 1 and 2 of the SUB Agreement, will be Pay Grade for the classifications.

Section 3

For employees hired before January 1, 2006 who transfer from one classification to another classification, the employee will be paid their current hourly rate up to 90 percent of the Pay Grade of the job transferred to unless the employee has maintained that classification on his qualified list which would allow transfer at the rate of the new Pay Grade. The employee's rate of pay will be increased up to the Pay Grade of the job at the rate of at least twenty cents per hour per week provided the employee worked at least three (3) days in the preceding week. The Employee's rate of pay may be advanced more than learners scale provided their proficiency warrants it.

For Employees hired after January 1, 2006 who transfer from one classification to another classification, the employee will be paid the rate of pay of the job transferred to at the rate the employee's seniority entitles him to receive in Schedule B.

For employees hired before January 1, 2006 who are involuntarily transferred to a lower paid classification, the employee will continue to receive the Pay Grade of the higher classification until the employee transfers to a different classification as a result of a voluntary bid. Once the employee transfers to a different classification as a result of a voluntary bid, the employee will receive the Pay Grade of the classification to which the employee bids.

Section 4

- (a) When an experienced employee is temporarily assigned to a job in another classification the employee will be paid the Pay Grade of his regular assigned job, or the Pay Grade of the job to which assigned, whichever is greater.
 - (1) Employees temporarily assigned to another job for the purpose of lunch or personal relief will be paid in accordance with the above.
 - (2) Employees temporarily assigned to write Objective Based Training Programs will be paid the rate of the Training Center Labor Trainer or their hourly Pay Grade, whichever is greater.

Section 5

If an employee is given extra work over and above his regular eight-hour day or regular weekly departmental schedule on a job other than his regular job, he shall be paid the Pay Grade of the assigned job.

Section 6

- (a) When an employee is assigned to a job for the purpose of taking inventory, he will be paid the Pay Grade of Production Service. Employees assigned to trucking during inventory will be paid the rate of the job assigned.
- (b) When an employee is assigned to paint with a spray gun, he will be paid the Pay Grade of the Painter for the period of time assigned.
- (c) When employees are assigned to work with Squad trainees, they will be paid labor trainer rate if higher than their own.

Section 7

- (a) All production employees hired after January 1. 2006 shall receive the rates of pay as described in Schedule B.
 - (1) For Grades 1 & 2, there will be a 30 month progression with \$.50 increases at 12 months and 18 months with the final increase of \$.50 at 30 months.
 - (2) For Grades 3 & 4, the starting rate will be 70% of the maximum rate and shall be increased over a 5 year progression in accordance with the percentages in Schedule B.
 - (3) For Grade 5 positions (other than electricians and powerhouse employees) the starting rate will be 85% of the maximum rate and will be increased in accordance with the percentages in Schedule B.

If an employee transfers during their first five years on the active payroll, they will be paid the rate of pay their seniority entitles them to receive in the classification to which they transfer.

(b) The hiring and work rate for summer vacation relief help will be capped at the New Hire Grade 1 Rate for the life of this Agreement.

Section 8

The probationary period for all new employees shall be 60 days worked.

Section 9

A night shift differential of \$.300 will be paid for all hours worked between 3:00 p.m. and 7:00 am.

Section 10

- (a) Employees will be allowed twenty (20) minutes for lunch and will be paid their current hourly rate for this time.
 - (1) Employee works less than his scheduled eight (8) hour shift. Allowance or payment for lunch period will be made only if the employee works in excess of four (4) hours on his regularly scheduled shift.
 - (2) Employees working on overtime must work in excess of four (4) hours before being eligible for a lunch payment or allowance.
- (b) Two 10-minute break periods will be scheduled for employees working a scheduled eight (8) hour shift on non-continuous operations, provided such schedule does not hinder production.
- (c) Employees assigned overtime (two hours or more) will be allowed ten minutes personal time immediately prior to the start of the next scheduled shift.

Section 11

- (a) A carbon black premium wage payment of \$2.00 will be paid for each day applicable as provided in this section.
- (b) The premium pay will be paid one time per day to eligible employees, except when employees leave the plant and return in any twenty-four (24) hour period. At no time will premium pay be made for consecutive hours worked on adjacent shifts.
- (c) Employees Eligible:

Department 320 - Banburys

1. All department 320 employees.

Department 119 - Maintenance

- 1. Maintenance employees, assigned by supervision and working:
 - (a) On a breakdown in the black system.
 - (b) On the main body of the Banbury (mezzanine floor).
 - (c) On repairing Banbury automatic oil system on the platform above the mezzanine floor.
 - (d) On replacing or repairing the complete pellet system.
 - (e) On repairing fork trucks assigned to Departments 320 and 200 and floor sweepers used in Departments 320 and 200.
 - (f) On loading, hauling and unloading carbon black at the disposal site behind the plant.
 - (g) On changing bags in Dept. 320 dust collectors.

Department 200 - Receiving

- 1. Receiving employees, assigned by supervision, and performing the operation of:
 - (a) Connecting or disconnecting "boots" on carbon black cars.
 - (b) Unloading and transporting bag black from boxcars or trailers.
 - (c) Waste and scrap handling.

Section 12

(a) Employees injured in the factory, or who suffer from occupational illness, during their work shift and report the fact at the time of its occurrence and are subsequently treated in the dispensary, doctor's office, or hospital and sent home, shall be paid their current hourly rate for the balance of the shift. However, it is recognized in some instances the employee may not be sent home on the day of the injury, but on a subsequent day to be treated in the dispensary, doctor's office, or hospital and sent home, in which case he shall be paid in the same manner specified above. In no event shall an employee be paid for hours not worked on two (2) different days for the same injury.

If employees return to work on the same shift after being treated in the dispensary, doctor's office, or hospital and are unable to work on their regular operation they shall receive their current hourly rate for the balance of the shift.

The above provisions of this item (a) are likewise applicable to the first day of an employee's return to work from absence of a week or more due to an injury in the factory or to occupational illness.

Employees injured in the factory or who suffer from occupational illness and who are required to spend time receiving medical treatment furnished them by the Company, shall be paid their current hourly rate for the time they must lose from their regular shift for such treatment. If the attending physician certifies that such treatment must be scheduled prior to the employee's regularly scheduled shift and that the treatment caused the employee to lose time from that shift he shall be paid for the time lost from that shift. The provisions of this paragraph also apply to an employee who must lose time from his regular shift because of a medical examination for purposes of a Worker's Compensation evaluation requested by the Company. If the employee is eligible for compensation for that day under either State Worker's Compensation law or the Supplemental Worker's Compensation Section of the Current Benefits Agreement such compensation will be deducted from the payment for time lost.

Employees who, at the request of the Company, are required to receive such medical treatment in Chicago, Illinois (or any other location of comparable distance from Freeport) will be compensated for up to eight (8) hours upon presenting adequate certification of the time and date that the treatment was given. It is understood that this paragraph merely establishes guidelines for wage payment and any exceptions to this guideline will be judged on an individual care basis.

Payment for time under this item (a) will be made at time and one-half when it occurs after forty (40) hours in any one pay period week, at double time on Sundays, and triple time on holidays.

- (b) Employees who are treated in the dispensary, doctor's office, or hospital for an injury in the factory, and return to work, shall be paid their current hourly rate for the time involved.
- (c) Employees who become ill (non-occupational) in the factory and are sent home will be paid their actual earnings for the time worked only.
- (d) An employee temporarily assigned other work as the result of the Medical Department's recommendation following an occupational injury or illness will be paid their current hourly rate for the balance of such assignment. In making such assignments, consideration will be given to preventing further aggravation of the injury or illness.
- (e) An employee temporarily assigned other work as the result of the Medical Department's recommendation following a non-occupational injury or illness will be paid his current hourly rate up to 90 percent of his Pay Grade for the duration of such assignment.

Section 13

Employees who are requested by the Company to attend meetings during working hours will be paid their current hourly rate for the time lost during their regular shift.

Section 14

An employee called in for work shall be guaranteed four (4) hours of work at his current hourly rate up to his Pay Grade. This provision shall not apply when the work is performed in continuity at either end of employee's regular shift.

Section 15

In the event of a violation of Article II, Section 4 of this Agreement, which adversely affects the earnings of other employees, the Company will not be required to pay minimum wage guarantees, hourly rate guarantees, and bonus payments.

Section 16

- (a) An employee with thirty (30) days' service who is required to serve on a municipal, county, or federal jury or grand jury, shall be paid the difference between the amount paid for such service and his current hourly rate for each day lost from his regularly scheduled work shift by reason of such service, subject to the following provisions:
 - (1) Employees must notify their Supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty.
 - (2) In order to be properly paid for jury duty, employees must obtain a jury duty form from the Human Resources Department and have it completed and signed by the appropriate court official of the days and times of duty, the hours of release, and the amount of pay received. This form must be turned in to the Human Resources Department at the end of each week.
 - (3) An employee on vacation who is required to serve on jury duty may extend that vacation period by the number of days he is required to serve during such vacation period provided he notifies his Supervisor in sufficient time for the Supervisor to secure a replacement.

Section 17

An employee with thirty (30) days' service, who is a member of the National Guard or the reserve component of the Armed Forces, who is required to enter upon active annual training duty, temporary special service, or weekend training shall be paid the difference between the amount of pay he received from the Federal or State Government for such duty and normal weekly earnings calculated on the basis of his current hourly rate multiplied by the number of his regularly scheduled hours per day (based upon not more than six (6) days per week) for the time lost while on such duty, up to a maximum of 160 hours per year.

Such items as subsistence, rental, and travel allowance shall not be included in determining pay received from the government. In order to receive military make-up pay, the employee must obtain a form from the Human Resources Department. This form must be properly completed and returned to the Human Resources Department after the employee completes his military training.

Section 18

(a) An employee with thirty (30) days' service, who suffers a death in the immediate family shall be entitled to funeral pay in accordance with the following:

If an employee is absent from work because of the death of their spouse, parent, child, dependent residing in household, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, sister-in-law, grandchild, grandparent, great-grandchild, great-grandparents, or the grandparents or great-grandparents of the spouse, they shall be paid at their current hourly rate plus night shift differential for the time lost from their regularly scheduled work shift (including accepted shifts of Sunday work which will be paid on a straight-time basis) by reason of such absence during a period of three (3) consecutive working days, one of which is the day of the funeral. The employee may elect to take three (3) consecutive calendar days, for up to a total of twenty-four (24) regularly scheduled hours, one of which is the day of the funeral as their funeral leave. The above categories of relatives include step-relatives, half-relatives, and legally adopted children. In the event of delayed notice of death of a relative named above, the funeral leave will be the next three (3) consecutive work or calendar days from date of notice.

- (b) In the application of this clause with respect to in-laws, payment for any such relationship will be limited to those resulting from the employee's current marital status. Where a marriage has been terminated and there has been no subsequent remarriage, the in-law relationship will be recognized.
- (c) In the event an employee is on vacation and it becomes necessary for them to attend the funeral of a relative as provided under Funeral Leave Pay, their vacation scheduled shall be extended by the number of days they are eligible for payment under said provision, provided they notify their Supervisor promptly of the funeral and in sufficient time for the Supervisor to secure a replacement. In the application of this paragraph an employee will be considered to be on vacation at the completion of their last scheduled shift prior to the beginning of their vacation.

Section 19

(a) An employee who is a designated Union representative shall be compensated at his current hourly rate for time lost from his regular shift as a result of attending scheduled grievance meetings with the Company. The maximum number of hours

to be paid by the Company as provided in this paragraph shall be determined for each week on the basis of fifteen (15) hours per week for one hundred (100) employees. The number of employees in the computation shall be the number of employees on the active payroll in the bargaining unit and the number of employees on sick leave or leave of absence not included on the active payroll, in the first full week of the month, rounded to the next even hundred. If the total number of hours paid by the Company in a week is less than the maximum, the remaining hours shall be added to the maximum number of hours computed for the following week.

(b) The Union President will be furnished a monthly summarization of all hours paid by the Company under this Section.

Section 20

The Company agrees to pay twenty-five (25) cents per hour to employees for time worked on the carbon black tower, outside oil storage tanks or outside conveyors at a height of twenty-five (25) feet or more above ground or roof level.

Section 21

Wages shall be paid weekly by check or by direct deposit into the financial institution of the employee's choice. Checks or direct deposit receipts shall be delivered to employees in their respective departments by the end of their shift on pay day. Second shift employees shall be paid on Thursday. First and third shift employees shall be paid on Friday. In the event that a contractual absence falls on payday the check or direct deposit receipt shall be delivered to the employee on the last scheduled workday for that week, if available.

To the extent practical, the final paycheck each year includes year-end totals for all deductions. It is understood that this may not be possible in all cases due to the amount of space on the checks and the number of deductions.

ARTICLE VIII - SENIORITY

Section 1—Definition

- (a) Seniority is preference or priority by length of service with definite rights qualifying employees for employment when work is available. The purpose of seniority is to provide a declared policy of work security measured by length of service. Seniority shall be based on continuous service with the Company compiled by time actually spent on the payroll, plus properly approved absences or time laid off as specified in the terms of this article. For the purposes of this provision, "Company" shall mean time with Titan Tire Corporation of Freeport and its predecessor Kelly Springfield Tire Company. Said time with the predecessor shall include any time accrued under the Collective Bargaining Agreement between Kelly Springfield and USW Local 745L dated April 7, 2004.
- (b) Reasons for termination of seniority include the following:
 - (1) Resignation for any reason.
 - (2) Discharge for cause.
 - (3) Overstaying a leave of absence.
 - (4) Failure to answer recall within specified time.
 - (5) Accepting other employment while on leave of absence.

Section 2—General Provisions

- (a) A new employee shall have no seniority status until he has completed a probationary period of sixty (60) days worked, after which his seniority dates from the date of hire. The Company will not be obligated to recall employees laid off before completing such probationary period, but if such employee is rehired within ninety (90) days from date of layoff, he shall be credited with service for the actual time spent on the payroll during such period. The date of hire is the date the employee is first scheduled to work. Employees with identical service dates will use their age as the determining factor the older employee being considered the one with the most seniority. Employees with the same service dates and birth dates will be assigned seniority alphabetically according to their last name at date of hire. The Company shall be responsible for all seniority records.
- (b) An employee in a supervisory or other position, outside of the bargaining unit, who was once a member of the bargaining unit as defined, will have until January 1, 1993, to return to their previous bargaining unit position. Employees returning under this provision will have seniority accumulated through September 21, 1985. After January 1, 1993, employees will only be permitted to return to the bargaining unit during periods of salary personnel reductions. Those employees will retain their accumulated seniority through September 21, 1985. If such employee does not have sufficient seniority to return to the last classification held in the bargaining

unit, they will bump into a job for which they can qualify by starting with the least senior employee in the plant.

Such employees will retain their company service for pension rights and vacation allotment purposes.

Restrictions imposed by this provision will not apply to a bargaining unit employee temporarily assigned to positions outside the bargaining unit for periods of ninety (90) cumulative days within a calendar year, effective January, 1999. Employees in salary positions who were members of the bargaining unit as defined may return to the bargaining unit because of a physical or mental condition certified, by a physician and approved by the Company and will exercise no seniority privileges.

In the event the Union challenges the validity of the condition of such an employee, the Company and the Union will select a physician who will examine the employee. The doctor's findings will decide the question. The expenses of such physician shall be borne jointly by the Company and the Union.

In no event shall a salary employee be permitted to return to the bargaining unit when hourly employees are on layoff; neither shall a salary employee be allowed to return to the bargaining unit as long as a salaried position exists compatible with the final physician's opinion.

- (c) An employee who leaves the employment of the Company to enter the Armed Forces, either by enlistment or draft under any existing Federal Legislation, or which may be passed, shall be reinstated upon application, provided he can qualify under the seniority rules, and further provided his discharge from the Armed Forces was other than dishonorable, and he applies for re-employment within ninety (90) days thereafter, and further provided that the employee is physically capable of performing the work required. The Company will make every effort to place employees who may become handicapped during such service. Seniority will accumulate during the full period of the employee's initial enlistment only.
- (d) An employee who leaves the employment of the Company as the result of being elected or appointed to public office shall be reinstated upon application provided he can qualify under the seniority rules, is physically capable of performing the work required, and applies for re-employment within thirty (30) days after the end of his tenure in such office.
 - The employee shall notify the Company in writing of his intention of accepting such office and shall inform the Company of his status. Such employee shall accumulate service not to exceed a total of two years for any or all such periods.
- (e) An employee who leaves the employment of the Company in order to attend an accredited college or university, or a recognized trade or vocational school shall be reinstated upon application, provided he can qualify under seniority rules, is

physically capable of performing the work required and applies for re-employment within thirty (30) days after leaving the college, university, or school. This eligibility for rehire can be made at any time but is limited to one (1) opportunity per employee unless he has returned to full time employment for a minimum period of two years. In no situation may an employee rehire under this provision more than twice. The only exception is granted for an employee returning as part of the Summer Work Program when this program is offered by the Company.

Trade or vocational school for purpose of this clause is one which provides training or a course of study related to jobs performed in the local plant. The employee, upon reinstatement, shall be given the service he had when he left the Company. The employee shall notify the Company in writing of the name of the school, the date of entry, and the expected length of the course of study. He shall confirm the continuation of his school attendance at annual intervals thereafter.

Section 3—Leaves Of Absence

- (a) Employees requesting leaves of absence for more than seven days shall make application in writing to their Area Manager or the equivalent on a form provided for that purpose.
- (b) Leaves of absence may be granted for personal reasons when justified, for a period not to exceed ninety (90) days, upon written application of the employee when the services of the employee are not immediately required, and there are employees available and capable of doing his work. Special consideration shall be given to the granting and duration of leaves occasioned by illness in an employee's immediate family. A copy of approved leaves of absence will be furnished the employee concerned at or before the time the leave is granted or extended.
 - To comply with the requirements of the Family and Medical Leave Act of 1993 (FMLA), it may be necessary to provide eligible employees up to and including twelve (12) work weeks of leave for the reasons outlined in the FMLA.
- (c) An employee who becomes ill or is injured and whose claim of illness or injury is supported by satisfactory evidence shall be granted a leave of absence to cover the period of such illness. Seniority will accumulate for the first two years of such leave.
 - In the event there is a disagreement between the Company's physician and the employee's physician regarding the medical evidence presented to support the employee's return to work, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two physicians shall decide such question. The expenses of the third physician shall be borne jointly by the Company and the employee.

Employees drawing Worker's Compensation shall accumulate seniority during the period covered by compensation payments. If, at the end of such period, he is physically unable to return to work, he shall accumulate seniority for any additional period during which he shall furnish satisfactory evidence of continuing disability to the Company.

(d) An employee who becomes disabled because of pregnancy and whose claim of disability is supported by satisfactory evidence shall be granted a leave of absence to cover the period of such disability. Seniority will accumulate for the first two (2) years of such leave.

In the event there is a disagreement between the Company's physician and the employee's physician regarding the medical evidence concerning the disability due to pregnancy, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two physicians shall decide such question. The expenses of the third physician shall be borne jointly by the Company and the employee.

An employee returning from such leave shall be granted the same privileges as provided in paragraph (i) of this section.

- (e) An employee elected, selected, or appointed for duty as an officer, representative or employee of the International Union or of the Local Union, or of the AFL-CIO as such, or for any State, County, City or Local Union Council of the AFL-CIO, or to an office in a Local Union cooperative enterprise serving Company employees, which assignment will take him from his employment with the Company, shall upon written request of the International Union or Local Union receive a leave of absence for the period of his service. If such service is for more than three years, the leave of absence must be renewed each three years. Seniority shall accumulate throughout the period of his leave of absence.
- (f) If the reasons and circumstances upon which an employee's leave of absence was granted change substantially while he is on leave, he must immediately report to the Company to be reinstated or to request continuation of his leave based on the changed conditions. If he fails to so report, or falsifies his report, his service with the Company may terminate.
- (g) Leaves of absence may be extended when requested, upon approval of the Company.
- (h) Seniority will accumulate for the duration of approved leaves of absence except as specifically limited in this section.
- (i) An employee returning from sick leave, leave of absence, or light duty shall be reinstated to the classification he had at time leave was granted, provided there are

employees working there with less seniority. If there are no employees with less seniority on such classification, or if the job has been eliminated, he shall be sent to the employment office and handled as permanent surplus labor.

Section 4—Absences Without Leave

- (a) It is the duty of employees who are unable to work at their regularly assigned periods to report to the Company in advance. Such report is to be given to the employee's Supervisor, by telephone when possible, and should include the employee's department, clock card number, name, reason for absence, and probable return to work date. Whenever the employee's department is not working, such report is to be given to the Guard at the Gatehouse. Employees shall be furnished with cards identifying the number to call in the event they are unable to work their regularly assigned shift. Said cards shall also be available in the Personnel Department.
- (b) An employee who is absent for a period of five (5) working days or more, without notifying the Company and making arrangements for a sick leave or leave of absence, or who overstays such leave without arranging for an extension thereof, shall be considered as having resigned without notice, and his seniority will terminate. Such leaves may be arranged for by other means than written application.

An employee whose service is so terminated shall be reinstated only if he supplies evidence that his failure to comply with the terms of this provision was justified by reasonable excuse.

Section 5—Shift Preference

(a) The President, Vice-President, Local Union Time Study Engineer, and the Union Bargaining Committee shall hold top seniority rating during their terms of office for shift preference only.

When an employee no longer qualifies for top seniority as provided by this paragraph, he may return to the shift he would have acquired, had he not held top seniority. The Company will keep records which will indicate such appropriate shift.

An employee removed or withheld from their preferred shift as a result of top seniority will have the first opportunity to return or acquire to that shift once the top seniority individual leaves their union position or transfers to another job classification, provided the affected individual is still in that classification.

(b) All other employees will remain on the shifts on which they are permanently assigned, subject to paragraph (a) above and (c), (d), (e), (f) below. As an exception, employees in the same classification may be permitted, with the